

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

DR SYSTEMS, INC.,	)	Case No. 08cv669-H (BLM)
	)	
Plaintiff,	)	<b>CASE MANAGEMENT CONFERENCE</b>
v.	)	<b>ORDER REGULATING DISCOVERY AND</b>
	)	<b>OTHER PRETRIAL PROCEEDINGS</b>
EASTMAN KODAK CO.,	)	
	)	(Fed. R. Civ. P. 16)
Defendant.	)	(Local Rule 16.1)
	)	(Fed. R. Civ. P. 26)
	)	(Patent Local Rules)
And Related Counter-Claims	)	
	)	

On June 19, 2008 at 1:30 p.m., the Court convened an Early Neutral Evaluation Conference ("ENE"). Settlement of the case could not be reached at the ENE, and the Court therefore discussed compliance with Rule 16 of the Federal Rules of Civil Procedure and the Patent Local Rules. After consulting with the attorneys of record for the parties and being advised of the status of the case, and good cause appearing,

**IT IS HEREBY ORDERED:**

1. Any motion to join other parties, to amend the pleadings, or to file additional pleadings shall be filed on or before **August 4, 2008**.

2. **Disclosure of Asserted Claims and Preliminary Infringement Contentions**. On or before **July 3, 2008**, Plaintiff shall serve on all

1 parties a "Disclosure of Asserted Claims and Preliminary Infringement  
2 Contentions." Separately for each opposing party, the "Disclosure of  
3 Asserted Claims and Preliminary Infringement Contentions" must contain  
4 the following information:

5 a. Each claim of each patent in the suit that is allegedly  
6 infringed by each opposing party;

7 b. Separately for each asserted claim, each accused  
8 apparatus, product, device, process, method, act, or other  
9 instrumentality ("Accused Instrumentality") of each opposing party of  
10 which the party is aware. This identification must be as specific as  
11 possible. Each product, device and apparatus must be identified by name  
12 or model number, if known. Each method or process must be identified by  
13 name, if known, or by any product, device, or apparatus which, when  
14 used, allegedly results in the practice of the claimed method or  
15 process;

16 c. A chart identifying specifically where each element of  
17 each asserted claim is found within each Accused Instrumentality,  
18 including for each element that such party contends is governed by 35  
19 U.S.C. § 112(6), the identity of the structure(s), act(s), or  
20 material(s) in the Accused Instrumentality that performs the claimed  
21 function;

22 d. Whether each element of each asserted claim is claimed to  
23 be literally present and/or present under the doctrine of equivalents in  
24 the Accused Instrumentality;

25 e. For any patent that claims priority to an earlier  
26 application, the priority date to which each asserted claim allegedly is  
27 entitled; and

28 f. If a party claiming patent infringement asserts that its

1 own apparatus, product, device, process, method, act, or other  
2 instrumentality practices the claimed invention, the party must  
3 identify, separately for each asserted claim, each such apparatus,  
4 product, device, process, method, act, or other instrumentality that  
5 incorporates or reflects that particular claim.

6 3. Document Production Accompanying Disclosure. With the  
7 "Disclosure of Asserted Claims and Preliminary Infringement  
8 Contentions," the party claiming patent infringement must produce to  
9 each opposing party, or make available for inspection and copying, the  
10 following documents in the possession, custody and/or control of that  
11 party:

12 a. Documents (e.g., contracts, purchase orders, invoices,  
13 advertisements, marketing materials, offer letters, beta site testing  
14 agreements, and third party or joint development agreements) sufficient  
15 to evidence each discussion with, disclosure to, or other manner of  
16 providing to a third party, or sale of or offer to sell, the claimed  
17 invention prior to the date of application for the patent in suit. A  
18 party's production of a document as required herein does not constitute  
19 an admission that such document evidences or is prior art under 35  
20 U.S.C. § 102;

21 b. All documents evidencing the conception, reduction to  
22 practice, design, and development of each claimed invention, which were  
23 created on or before the date of application for the patent in suit or  
24 the priority date identified pursuant to P.L.R. 3.1(e), whichever is  
25 earlier; and

26 c. A copy of the file history for each patent in suit and  
27 each application to which a claim for priority is made under P.L.R.  
28 3.1(e).

1 The producing party must separately identify by production number  
2 which documents correspond to each category.

3 The party claiming patent infringement is required to use its best  
4 efforts to obtain the documents to make a timely disclosure if the  
5 documents identified above are not in the possession, custody and/or  
6 control of that party.

7 4. **Preliminary Invalidity Contentions.** On or before **September 2,**  
8 **2008**, Defendants shall serve on all parties its "Preliminary Invalidity  
9 Contentions" which must contain the following information:

10 a. The identity of each item of prior art that allegedly  
11 anticipates each asserted claim or renders it obvious. This includes  
12 information about any alleged knowledge or use of the invention in this  
13 country prior to the date of invention of the patent. Each prior art  
14 patent must be identified by its number, country of origin, and date of  
15 issue. Each prior art publication must be identified by its title, date  
16 of publication, and where feasible, author and publisher. Prior art  
17 under 35 U.S.C. § 102(b) must be identified by specifying the item  
18 offered for sale or publicly used or known, the date the offer or use  
19 took place or the information became known, and the identity of the  
20 person or entity which made the use or which made and received the  
21 offer, or the person or entity which made the information known or to  
22 whom it was made known. Prior art under 35 U.S.C. § 102(f) must be  
23 identified by providing the name of the person(s) from whom and the  
24 circumstances under which the invention or any part of it was derived.  
25 Prior art under 35 U.S.C. § 102(g) must be identified by providing the  
26 identities of the person(s) or entities involved in and the  
27 circumstances surrounding the making of the invention before the patent  
28 applicant(s);

1           b. Whether each item of prior art anticipates each asserted  
2 claim or renders it obvious. If a combination of items of prior art  
3 makes a claim obvious, each such combination and the motivation to  
4 combine such items, must be identified;

5           c. A chart identifying where specifically in each alleged  
6 item of prior art each element of each asserted claim is found,  
7 including for each element that such party contends is governed by 35  
8 U.S.C. § 112(6), the identity of the structure(s), act(s), or  
9 material(s) in each item of prior art that performs the claimed  
10 function;

11           d. Any grounds of invalidity based on indefiniteness under  
12 35 U.S.C. § 112(2) of any of the asserted claims; and

13           e. Any grounds of invalidity based on lack of written  
14 description, lack of enabling disclosure, or failure to disclose the  
15 best mode under 35 U.S.C. § 112(1).

16           5. Document Production Accompanying Preliminary Invalidity  
17 Contentions. With the "Preliminary Invalidity Contentions," the party  
18 opposing a claim of patent infringement must produce or make available  
19 for inspection and copying:

20           a. Source code, specifications, schematics, flow charts,  
21 artwork, formulas, or other documentation sufficient to show the  
22 operation of any aspects or elements of any Accused Instrumentality  
23 identified by the patent claimant in the "Disclosure of Asserted Claims  
24 and Preliminary Infringement Contentions;"

25           b. A copy of each item of prior art identified in the  
26 Preliminary Invalidity Contentions, which does not appear in the file  
27 history of the patent(s) at issue. To the extent any such item is not  
28 in English, an English translation of the portion(s) relied upon must be

1 produced.

2 6. Exchange of Proposed Claim Constructions and Extrinsic  
3 Evidence.

4 a. On or before September 16, 2008, the parties shall  
5 simultaneously exchange a preliminary proposed construction of each  
6 claim term, phrase, or clause which the parties have identified for  
7 claim construction purposes. Each such "Preliminary Claim Construction"  
8 will also for each element which any party contends is governed by 35  
9 U.S.C. § 112(6), identify the structure(s), act(s), or material(s)  
10 corresponding to that element.

11 b. At the same time the parties exchange their respective  
12 "Preliminary Claim Constructions," they must also provide a preliminary  
13 identification of extrinsic evidence, including without limitation,  
14 dictionary definitions, citations to learned treatises and prior art,  
15 and testimony of percipient and expert witnesses they contend support  
16 their respective claim constructions. The parties must identify each  
17 such item of extrinsic evidence by production number or produce a copy  
18 of any such item not previously produced. With respect to any such  
19 witness, percipient or expert, the parties must also provide a brief  
20 description of the substance of that witness' proposed testimony.

21 c. On or before September 30, 2008, the parties shall  
22 simultaneously exchange "Responsive Claim Constructions" identifying  
23 whether the responding party agrees with the other party's proposed  
24 construction, or identify an alternate construction in the responding  
25 party's preliminary construction, or set forth the responding party's  
26 alternate construction.

27 d. At the same time the parties exchange their respective  
28 "Responsive Claim Constructions," they must also provide a preliminary

1 identification of extrinsic evidence, including without limitation,  
2 dictionary definitions, citations to learned treatises and prior art,  
3 and testimony of percipient and expert witnesses they contend support  
4 any responsive claim constructions. The parties must identify each such  
5 item of extrinsic evidence by production number or produce a copy of any  
6 such item not previously produced. With respect to any such witness,  
7 percipient or expert, the parties must also provide a brief description  
8 of the substance of that witness' proposed testimony.

9 e. The parties must thereafter meet and confer for the  
10 purposes of narrowing the issues and finalizing preparation of a Joint  
11 Claim Construction Chart, Joint Claim Construction Worksheet, and Joint  
12 Hearing Statement.

13 7. Joint Claim Construction Chart, Worksheet, and Hearing  
14 Statement. On or before October 14, 2008, the parties shall complete  
15 and file a Joint Claim Construction Chart, Joint Claim Construction  
16 Worksheet, and Joint Hearing Statement.

17 a. The Joint Claim Construction Chart must have a column  
18 listing complete language of disputed claims with the disputed terms in  
19 bold type and separate columns for each party's proposed construction of  
20 each disputed term. Each party's proposed construction of each disputed  
21 claim term, phrase, or clause, must identify all references from the  
22 specification or prosecution history that support that construction and  
23 an identification of any extrinsic evidence known to the party on which  
24 it intends to rely either to support its proposed construction of the  
25 claim or to oppose any other party's proposed construction of the claim,  
26 including, but not limited to, as permitted by law, dictionary  
27 definitions, citations to learned treatises and prior art, and testimony  
28 of percipient and expert witnesses.

b. The parties Joint Claim Construction Worksheet must be in the format set forth in Appendix A and include any proposed constructions to which the parties agree, as well as those in dispute. The parties must jointly submit the Joint Claim Construction Worksheet on computer disk in both Word and Wordperfect format or in such other format as the court may direct.

c. The Joint Hearing Statement must include:

1. The anticipated length of time necessary for the Claim Construction Hearing; and

2. Whether any party proposes to call one or more witnesses, including experts, at the Claim Construction Hearing, the identity of each such witness, and for each expert, a summary of each opinion to be offered in sufficient detail to permit a meaningful deposition of that expert.

d. At the Court's discretion, within five (5) calendar days of the submission of the Joint Claim Construction Chart, Joint Claim Construction Worksheet, and Joint Hearing Statement, the Court will hold a status conference with the parties, in person or by telephone, to discuss the schedule, witnesses and any other matters regarding the Claim Construction Hearing.

8. **Completion of Claim Construction Discovery.** The parties shall complete all discovery, including any depositions of any witnesses, including experts, the parties intend to use in the Claim Construction Hearing by **November 12, 2008**. Fed. R. Civ. P. 30 applies to depositions, except as to experts. An expert witness identified in a party's Joint Hearing Statement may be deposed on claim construction issues. The identification of said expert in the Joint Hearing Statement may be deemed good cause for a further deposition on all



1 substantive issues.

2 9. **Claim Construction Briefs.**

3 a. On or before **November 24, 2008**, the parties shall  
4 simultaneously file and serve opening briefs and any evidence supporting  
5 their claim construction.

6 b. On or before **December 10, 2008**, the parties shall  
7 simultaneously file and serve briefs responsive to the opposing party's  
8 opening brief and any evidence directly rebutting the supporting  
9 evidence contained in the opposing party's opening brief.

10 10. **Claim Construction Hearing.** On **January 12, 2009** at **10:30**  
11 **a.m.**, the Honorable Marilyn L. Huff will conduct a Claim Construction  
12 Hearing, to the extent that parties or the court believe a hearing is  
13 necessary for construction of the claims at issue.

14 11. **Final Contentions.** Each party's "Preliminary Infringement  
15 Contentions" and "Preliminary Invalidity Contentions" will be deemed to  
16 be that party's final contentions, except as set forth below.

17 a. If a party claiming patent infringement believes in good  
18 faith that the Court's Claim Construction Ruling or a document produced  
19 with the Preliminary Invalidity Contentions so require, not later than  
20 thirty (30) days after service by the Court of its Claim Construction  
21 Ruling, that party may serve "Final Infringement Contentions" without  
22 leave of court that amend its "Preliminary Infringement Contentions."

23 b. Not later than fifty (50) days after service by the Court  
24 of its Claim Construction Ruling, each party opposing a claim of patent  
25 infringement may serve "Final Invalidity Contentions" without leave of  
26 court that amend its "Preliminary Invalidity Contentions" if: i) a party  
27 claiming patent infringement has served "Final Infringement  
28 Contentions," or ii) the party opposing a claim of patent infringement

1 believes in good faith that the Court's Claim Construction Ruling so  
2 requires.

3 12. Amendment to Contentions. Amendment or modification of the  
4 Preliminary or Final Infringement Contentions or the Preliminary or  
5 Final Invalidity Contentions, other than as expressly permitted in the  
6 section above, may be made only by order of the court, which will be  
7 entered only upon a showing of good cause.

8 13. Opinion of Counsel. Not later than thirty (30) days after  
9 filing of the Claim Construction Order, each party opposing a claim of  
10 patent infringement that will rely on an opinion must:

11 a. Produce or make available for inspection and copying the  
12 opinion(s) and any other documentation relating to the opinion(s) as to  
13 which that party agrees the attorney-client or work product protection  
14 has been waived; and

15 b. Serve a privilege log identifying any other documents,  
16 except those authored by counsel acting solely as trial counsel,  
17 relating to the subject matter of the opinion(s) which the party is  
18 withholding on the grounds of attorney-client privilege or work product  
19 protection. A party opposing a claim of patent infringement who does  
20 not comply with this requirement will not be permitted to rely on an  
21 opinion of counsel as part of a defense to willful infringement absent  
22 a stipulation of all parties or by order of the court, which will be  
23 entered only upon showing of good cause.

24 14. On or before March 16, 2009, all parties shall exchange with  
25 all other parties a list of all expert witnesses expected to be called  
26 at trial. The list shall include the name, address, and telephone  
27 number of the expert and a brief statement identifying the subject areas  
28 as to which the expert is expected to testify. The list shall also

1 include the normal rates the expert charges for deposition and trial  
2 testimony. On or before April 6, 2009, any party may supplement its  
3 designation in response to any other party's designation so long as that  
4 party has not previously retained an expert to testify on that subject.

5 15. Each expert witness designated by a party shall prepare a  
6 written report to be provided to all other parties **no later than July 6,**  
7 **2009**, containing the information required by Fed. R. Civ. P. 26(a)(2)(A)  
8 and (B). **Except as provided in paragraph 16 below, any party that fails**  
9 **to make these disclosures shall not, absent substantial justification,**  
10 **be permitted to use evidence or testimony not disclosed at any hearing**  
11 **or at the time of trial. In addition, the Court may impose sanctions as**  
12 **permitted by Fed. R. Civ. P. 37(c).**

13 16. Any party, through any expert designated, shall in accordance  
14 with Fed. R. Civ. P. 26(a)(2)(C) and Fed. R. Civ. P. 26(e), supplement  
15 any of its expert reports regarding evidence intended solely to  
16 contradict or rebut evidence on the same subject matter identified in an  
17 expert report submitted by another party. Any such supplemental reports  
18 are due on or before August 7, 2009.

19 17. All fact discovery shall be completed on or before June 8,  
20 2009. All expert discovery shall be completed on or before September 7,  
21 2009. "Completed" means that all discovery under Rules 30-36 of the  
22 Federal Rules of Civil Procedure, and discovery subpoenas under Rule 45,  
23 must be initiated a sufficient period of time in advance of the cut-off  
24 date, so that it may be completed by the cut-off date, taking into  
25 account the times for service, notice, and response as set forth in the  
26 Federal Rules of Civil Procedure.

27 Counsel shall promptly and in good faith meet and confer with  
28 regard to all discovery disputes in compliance with Civil Local Rules

16.5(k) and 26.1(a). All discovery motions shall be filed within thirty (30) days after counsel have met and conferred and reached an impasse with regard to any particular discovery issue, but in no event shall discovery motions be filed more than sixty (60) days after the date upon which the event giving rise to the discovery dispute occurred. For oral discovery, the event giving rise to the discovery dispute is the completion of the transcript of the affected portion of the deposition. For written discovery, the event giving rise to the discovery dispute is the service of the response, or, if no response was served, the initial date the response was due. In addition, all discovery motions must be filed within thirty (30) days after the close of discovery.

18. All motions, other than motions to amend or join parties, or motions in limine, shall be filed on or before September 21, 2009. Motions will not be heard or calendared unless counsel for the moving party has obtained a motion hearing date from the law clerk of the judge who will hear the motion. Be advised that the parties must file their moving papers within three (3) days of receiving the motion hearing date from the Court. Failure to timely request a motion date may result in the motion not being heard. Motions will not be heard unless you have obtained a date from the judge's law clerk.

Briefs or memoranda in support of or in opposition to any pending motion shall not exceed twenty-five (25) pages in length without permission of the judge who will hear the motion. No reply memorandum shall exceed ten (10) pages without leave of the judge who will hear the motion.

19. A Mandatory Settlement Conference shall be conducted on June 10, 2009 at 9:30 a.m. in the chambers of Magistrate Judge Barbara L. Major located at 940 Front Street, Suite 5140, San Diego, CA 92101. All

1 discussions at the Mandatory Settlement Conference will be informal, off  
2 the record, privileged, and confidential. Counsel for any non-English  
3 speaking party is responsible for arranging for the appearance of an  
4 interpreter at the conference.

5 a. **Personal Appearance of Parties Required:** All parties,  
6 adjusters for insured defendants, and other representatives of a party  
7 having full and complete authority to enter into a binding settlement,  
8 as well as the principal attorneys responsible for the litigation, must  
9 be present **in person** and legally and factually prepared to discuss  
10 settlement of the case. Counsel appearing without their clients  
11 (whether or not counsel has been given settlement authority) will be  
12 cause for immediate imposition of sanctions and may also result in the  
13 immediate termination of the conference.

14 Unless there are extraordinary circumstances, persons required to  
15 attend the conference pursuant to this Order shall not be excused from  
16 personal attendance. **Requests for excuse from attendance for**  
17 **extraordinary circumstances shall be made in writing at least three (3)**  
18 **court days prior to the conference.** Failure to appear **in person** at the  
19 Mandatory Settlement Conference will be grounds for sanctions.

20 b. **Full Settlement Authority Required:** In addition to  
21 counsel who will try the case, a party or party representative with **full**  
22 **settlement authority**<sup>1</sup> must be present for the conference. In the case  
23

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24 <sup>1</sup> "Full settlement authority" means that the individuals at the settlement  
25 conference must be authorized to explore settlement options fully and to agree at that  
26 time to any settlement terms acceptable to the parties. Heileman Brewing Co. v. Joseph  
27 Oat Corp., 871 F.2d 648, 653 (7th Cir. 1989). The person needs to have "unfettered  
28 discretion and authority" to change the settlement position of a party. Pitman v.  
Brinker Int'l, Inc., 216 F.R.D. 481, 485-86 (D. Ariz. 2003). The purpose of requiring  
a person with unlimited settlement authority to attend the conference contemplates that

1 of a corporate entity, an authorized representative of the corporation  
2 who is not retained outside counsel must be present and must have  
3 discretionary authority to commit the company to pay an amount up to the  
4 amount of the Plaintiff's prayer (excluding punitive damages prayers).  
5 The purpose of this requirement is to have representatives present who  
6 can settle the case during the course of the conference without  
7 consulting a superior. Counsel for a government entity may be excused  
8 from this requirement so long as the government attorney who attends the  
9 Mandatory Settlement Conference (1) has primary responsibility for  
10 handling the case, and (2) may negotiate settlement offers which the  
11 attorney is willing to recommend to the government official having  
12 ultimate settlement authority.

13 c. **Confidential Settlement Statements Required:** No later  
14 than **June 3, 2009**, the parties shall submit directly to Magistrate Judge  
15 Major's chambers confidential settlement statements no more than five  
16 (5) pages in length. **These confidential statements shall not be filed**  
17 **or served on opposing counsel.** Each party's confidential statement must  
18 include the following:

19 (i) A brief description of the case, the claims and/or  
20 counterclaims asserted, and the applicable defenses or position  
21 regarding the asserted claims;

22 (ii) A specific and current demand or offer for  
23 settlement addressing all relief or remedies sought. If a specific  
24 demand or offer for settlement cannot be made at the time the brief is  
25 submitted, then the reasons therefore must be stated along with a  
26 \_\_\_\_\_

27 the person's view of the case may be altered during the face to face conference. Id.  
28 at 486. A limited or a sum certain of authority is not adequate. See Nick v. Morgan's  
Foods, Inc., 270 F.3d 590, 595-97 (8th Cir. 2001).

1 statement as to when the party will be in a position to state a demand  
2 or make an offer; and

3 (iii) A brief description of any previous settlement  
4 negotiations, mediation sessions, or mediation efforts.

5 General statements that a party will "negotiate in good faith" is  
6 not a specific demand or offer contemplated by this Order. It is  
7 assumed that all parties will negotiate in good faith.

8 d. **Requests to Continue a Mandatory Settlement Conference:**

9 Any request to continue the Mandatory Settlement Conference or request  
10 for relief from any of the provisions or requirements of this Order must  
11 be sought by a **written ex parte application**. The application must (1)  
12 be supported by a declaration of counsel setting forth the reasons and  
13 justifications for the relief requested, (2) confirm compliance with  
14 Civil Local Rule 26.1, and (3) report the position of opposing counsel  
15 or any unrepresented parties subject to the Order. **Absent extraordinary**  
16 **circumstances, requests for continuances will not be considered unless**  
17 **submitted in writing no less than seven (7) days prior to the scheduled**  
18 **conference.**

19 **If the case is settled in its entirety before the scheduled date of**  
20 **the conference, counsel and any unrepresented parties must still appear**  
21 **in person, unless a written joint notice confirming the complete**  
22 **settlement of the case is filed no fewer than twenty-four (24) hours**  
23 **before the scheduled conference.**

24 20. The final pretrial conference is scheduled on the calendar of  
25 the Honorable Marilyn L. Huff on **November 23, 2009** at **10:30 a.m.** The  
26 trial date will be assigned by Judge Marilyn L. Huff at the pretrial  
27 conference.

28 21. The dates and times set forth herein will not be modified

1 except for good cause shown.

2 22. Plaintiff's counsel shall serve a copy of this order on all  
3 parties that enter this case hereafter.

4  
5 DATED: June 20, 2008

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7 BARBARA L. MAJOR  
8 United States Magistrate Judge

9 COPY TO:

10 HONORABLE MARILYN L. HUFF  
11 U.S. DISTRICT JUDGE

12 ALL COUNSEL  
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8 APPENDIX A  
9 APPROVED FORM OF  
10 JOINT CLAIM CONSTRUCTION WORKSHEET  
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## JOINT CLAIM CONSTRUCTION WORKSHEET

PATENT CLAIM	AGREED PROPOSED CONSTRUCTION	PLAINTIFF'S PROPOSED CONSTRUCTION	DEFENDANT'S PROPOSED CONSTRUCTION	COURT'S CONSTRUCTION
1. Claim language as it appears in the patent <b>with terms and phrases to be construed in bold.</b>	Proposed construction if the parties agree.	Plaintiff's proposed construction if parties disagree.	Defendant's proposed construction if parties disagree.	Blank column for Court to enter its construction.
2. Claim language as it appears in the patent <b>with terms and phrases to be construed in bold.</b>	Proposed construction if the parties agree.	Plaintiff's proposed construction if parties disagree.	Defendant's proposed construction if parties disagree.	Blank column for Court to enter its construction.
3. Claim language as it appears in the patent <b>with terms and phrases to be construed in bold.</b>	Proposed construction if the parties agree.	Plaintiff's proposed construction if parties disagree.	Defendant's proposed construction if parties disagree.	Blank column for Court to enter its construction.